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**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF THE CONVERSION OF)	Case No. INS-2012-238
BLUE CROSS AND BLUE SHIELD OF)	
MONTANA, INC. AND ALLIANCE WITH)	FINAL DISCLOSURE OF FACT
HEALTH CARE SERVICE CORPORATION,)	WITNESSES, EXPERT
Applicants.)	WITNESSES, AND EXHIBITS
)	

Pursuant to this Hearing Examiner's Supplemental and Amended Prehearing Schedule and Procedural Order dated and filed February 13, 2013, Applicants BLUE CROSS AND BLUE SHIELD OF MONTANA, INC. [BCBSMT] and HEALTH CARE SERVICE CORPORATION [HCSC] [collectively BCBSMT-HCSC], disclose the following witnesses, expert witnesses, and exhibits:

FACT WITNESSES

Applicants BCBSMT-HCSC reserve the right to call as fact witnesses:

1. Michael E. Frank, President and Chief Executive Officer, BCBSMT;
2. Mark Burzynski, Senior Vice President and Chief Financial Officer, BCBSMT;

3. Maurice Smith, Divisional Senior Vice President Business Development and Subsidiary Management, HCSC;
4. James L. Kadela, Divisional Senior Vice President Financial Services and Internal Operations, HCSC;
5. Colleen F. Reitan, Executive Vice President and Chief Operating Officer, HCSC;
6. Any witnesses identified by the Office of the Commissioner of Securities and Insurance, State Auditor [CSI];
7. Any witnesses identified by the Montana Attorney General;
8. Any individual identified in ongoing discovery that may become necessary at trial;
9. Any witness necessary for impeachment;
10. Any witness necessary for rebuttal; and
11. Any witness necessary to lay foundation or for authentication of evidence.

EXPERT WITNESSES

Applicants BCBSMT-HCSC reserve the right to call as expert witnesses:

1. James P. Galasso, FSA, MAAA, President & Consulting Actuary, Actuarial Services & Financial Modeling, Inc., 90 West Wieuca Road NE, Suite 220, Atlanta, Georgia, 30342.

A. Mr. Galasso's Curriculum Vitae is submitted with his report Actuarial Appraisal of Certain Health Care Contracts included in the Application as Exhibit 5.

B. The subject matter on which Mr. Galasso is expected to testify is his actuarial appraisal of expected cash flows associated with certain health care contracts

written and administered by BCBSMT.

C. The substance of the facts to which Mr. Galasso is expected to testify are all facts that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his report submitted with the Application as Exhibits 5.

D. The grounds for Mr. Galasso's opinion will be the pleadings, the facts that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his report, and Mr. Galasso's education, training, and professional experience.

2. Thomas R. McCarthy, Senior Vice President of NERA Economic Consulting, Suite 1950, 777 South Figueroa Street, Los Angeles, California 90017.

A. Mr. McCarthy's Curriculum Vitae is included with his reports, Financial and Community Impact Report, Proposed Alliance of Blue Cross and Blue Shield of Montana, Inc. with Health Care Service Corporation, NERA Economic Consulting (Nov. 10, 2012) submitted with the Application in this matter as Exhibit 4, and in Antitrust Report, Proposed Alliance of Blue Cross and Blue Shield of Montana, Inc. with Health Care Service Corporation, NERA Economic Consulting (Nov. 10, 2012) submitted with the Application as Exhibit 6.

B. The subject matter on which Mr. McCarthy is expected to testify is the likely competitive effects and the community impact of the proposed alliance between BCBSMT and HCSC.

C. The substance of the facts to which Mr. McCarthy is expected to testify

are all facts that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his reports submitted with the Application as Exhibits 4 and 6.

D. The grounds for Mr. McCarthy's opinion will be the pleadings, the facts that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his reports, and Mr. McCarthy's education, training, and professional experience.

3. Calvin Swartley, Senior Manager of Moss Adams LLP, 805 SW Broadway, Suite 1200, Portland, Oregon, 97205.

A. Mr. Swartley's Curriculum Vitae is submitted with his report Valuation Analysis Blue Cross and Blue Shield of Montana included in the Application as Exhibit 7.

B. The subject matter on which Mr. Swartley is expected to testify includes the valuation performed to determine the fair market value of the total surplus of BCBSMT and, as part of that analysis: (i) the fair market value of the total equity of BCBSMT's subsidiary, Health-E-Web; and (ii) the fair market value of certain BCBSMT assets and liabilities for financial planning purposes as of June 30, 2012.

C. The substance of the facts to which Mr. Swartley is expected to testify are all facts that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his report submitted with the Application as Exhibits 7.

D. The grounds for Mr. Swartley's opinion will be the pleadings, the facts

that have been produced in the course of prehearing investigation and interviews, discovery in this matter, and those contained in his report, and Mr. Swartley's education, training, and professional experience.

EXHIBITS

Applicants BCBSMT-HCSC reserve the right to introduce into evidence:

1. Any and all Exhibits submitted with Applicants' Application on file with CSI;
2. Applicant's Exhibit 3 attached to Mr. Blackmer's deposition 2-2-13 and referenced at page 69 of the deposition;
3. The pleadings in this matter;
4. The responses of any party to discovery or produced informally;
5. Any document identified and produced in the course of discovery or produced informally. Applicants BCBSMT-HCSC object to the introduction of any document submitted in the course of formal or informal discovery under an Affidavit of Trade Secret Confidentiality or agreement of confidentiality;
6. Demonstrative exhibits;
7. Any document necessary for impeachment; and
8. Any document necessary for rebuttal.

Respectfully submitted this 31st day of March, 2013.

KELLER, REYNOLDS, DRAKE,
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CERTIFICATE OF SERVICE

I, Jacqueline T. Lenmark, KELLER, REYNOLDS, DRAKE, JOHNSON & GILLESPIE, P.C., certify that on March 8, 2013, I served a true and correct copy of the foregoing **FINAL DISCLOSURE OF FACT WITNESSES, EXPERT WITNESSES, AND EXHIBITS**, by mailing it first class postage prepaid to:

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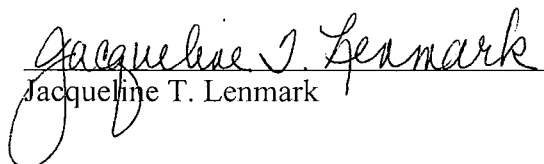
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DATED this 8th day of March, 2013.


Jacqueline T. Lenmark